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SUBJECT: SHRIMP, DEVELOPMENT AND MINORITY RIGHTS IN SOC TRANG

REF: 03 HCMC 001100

SUMMARY

1. (SBU) Shrimp farming in the coastal Mekong Delta province of Soc Trang is driving economic growth and poverty eradication. Beneficiaries include the large ethnic Khmer minority. Reports from exile groups of disenfranchisement and oppression of the Khmer appear out of date. The GVN began a long-term effort to improve the conditions for the Khmer in 1998, and the rapid growth of aquaculture has made provided cash to the Khmer community as evidenced by construction and rehabilitation of Khmer temples and pagodas. Soc Trang leadership appeared both more confident and more open than neighboring provinces and was frank about both recent successes and ongoing challenges including a growing HIV/AIDS problem. End Summary

A RISING TIDE OF SHRIMP

2. (U) Consul General, Econoff, Conoff and Pol/Econ specialist traveled through the coastal Mekong Delta, visiting Soc Trang on December 4. A historically poor coastal province, Soc Trang's population of over 1.2 million includes majority ethnic Kinh (65 percent) as well as Khmer (29 percent) and Chinese (6 percent) minorities. Per capita income remains low at USD433, but GDP has been growing at close to ten percent per year over the past four years as marginal, salinized rice paddies have been turned into highly productive small-holder shrimp farms. In 2003 alone, aquaculture grew by 30 percent, with 11,000 additional hectares converted to shrimp ponds, producing over USD300 million in export revenue. By 2010, provincial leaders plan to have 80,000 hectares of aquaculture land.

REDUCED ANTI-DUMPING DUTIES WELCOMED

3. (U) Saota Foods Joint-Stock Company (FIMEX VN) reported that the sharp reductions in antidumping duties announced by the US Department of Commerce on December 1 had an immediate impact in Soc Trang. One of Vietnam's largest seafood exporters, FIMEX processed and exported USD78 million in shrimp from Soc Trang and neighboring provinces to the U.S., Japan and the E.U. in 2003. Preliminary antidumping duties imposed by the USG at midyear cut 2004 exports to the US by half to about USD 15 million. In the final determination, FIMEX and other exporters representing over half of Vietnam's production received a sharply reduced "separate" rate of between four and five percent. Local shrimp prices in Soc Trang immediately rose by five percent according to FIMEX director Ho Quoc Luc, who is also the chairman of the Vietnam Association of Seafood Exporters and Producers (VASEP). Luc anticipated a sharp rise in export volume and prices paid to producers during the remaining month of 2004. FIMEX operates six individual processing lines on a large modern site in Soc Trang. The firm directly employs 3200 workers, 70 percent of whom are women, who earn USD40 to USD65 per month, jobs which did not exist in the province prior to the advent of aquaculture.

KHMER ALSO RIDING THE TIDE

4. (U) According to official Vietnamese history, Soc Trang's ethnic Khmer population and ethnic Kinh both appeared in the region at about the same time in the early 17th century. For their part, the Khmer claim to have been there much longer. Whatever the case, the Khmer minority makes up a distinct community organized around Theravada Buddhist temples and pagodas that date back nearly 400 years. In our first meetings with provincial officials, they claimed that Khmer and ethnic Kinh are highly integrated today. Subsequent discussions, including with the head of the Provincial Committee on Minority Affairs (himself a Khmer) indicated that the province is a salad bowl rather than a melting pot. Ethnic Khmer and Chinese maintain their respective languages but learn Vietnamese as well. The Chinese continue to concentrate in commerce, while the Khmer are mostly small farmers. Aquaculture is dominated by ethnic Kinh, many of whom employ Khmer workers. We were told that some of the most prosperous Khmer owned shrimp ponds themselves. At FIMEX, Director Luc was proud to point out the diversity of the firm. He is ethnic Kinh, the Vice General Director was Chinese while his assistant/interpreter

was Khmer.

15. (U) First Vice-Chairman Nguyen Duy Tan and the heads of the Religious Affairs and Minority Affairs Committees stated that the Khmer had historically been disadvantaged and impoverished. They credited the GVN's 1998 Program 135 with changing the situation. Under this program the central government provided sustained financing to build schools and clinics, develop bilingual education and provide credit and employment opportunities. The growth of aquaculture has also contributed significantly to the welfare of this community and the province. Poverty in Soc Trang has decreased, with 19 percent of households falling under the poverty line, compared with 65 percent in 1992. Poverty among Khmer households is higher at 28 percent, but has declined significantly from 42 percent as recently as 2001.

16. (U) To complement official meetings, CG and party took an unannounced and unescorted lunchtime drive through two heavily Khmer districts along the coast. Vinh Chau district is home to over half of Soc Trang's Khmer population. The majority Khmer province had extensive shrimp ponds in paddies that formerly grew a single rice crop per year. Crossing into the district, we drove over a large bridge just completed on December 1, 2004. Roadwork is under way and new power lines stretched from Soc Trang town to the shore. Vinh Chau seemed representative of the rest of the province - still poor, but developing quickly.

17. (SBU) We also visited two Khmer pagodas. The first visit to Cha Tim Giua or Chruoi Tum Kandal pagoda was unannounced and unescorted. The Venerable Ly Huong was cautious in his answers on ethnic relations but made clear that his community has good access to bilingual education through the high school level and to health clinics. The early 17th century main temple is in excellent condition and the pagoda is clearly active and a center of community life. A large new temple hall is nearly complete and already in use for services. The construction was funded entirely by contributions from the community and young monks were busy working with local contractors when we arrived.

18. (U) Soc Trang has 92 Khmer pagodas with an additional 36 worshipping houses. We later met officially with the Most Venerable Duong Nhon and other members of the Executive Board of the provincial Buddhist Sangha. While the meeting was kept at a formal level, the picture of economic development, religious life and ethnic relations was consistent with what we had heard and seen elsewhere. We asked about the Khmer Buddhists ties outside of Vietnam. They said they had few contacts with Cambodia. Prior to the Cambodian genocide, monks went to Cambodia for advanced religious training. Since the genocide, some Cambodian Buddhists have trained in Vietnam. The monks also said that they had no contact with exile Khmer groups in the US or Canada. Both the Vietnamese authorities and the monks told us that they did not use the term "Khmer Krom," which they said was a Cambodian and/or exile term with separatist implications.

SOME ROADBLOCKS TO GROWTH

19. (U) Despite Soc Trang's recent solid growth, First Vice-Chairman Nguyen Duy Tan said the province continued to face problems mobilizing investment resources. He expressed concern about the sustainability of growth due to the general poverty of the province and shortcomings in education, training, health care and infrastructure. The Soc Trang authorities generally seemed eager to attract foreign investment and development assistance

110. (U) HIV/AIDS is also a growing problem in Soc Trang. Officials of the provincial Women's Union stated that since 1992 perhaps 10,000 women from the province have worked in the sex trade in Cambodia or other cities in Vietnam and neighboring countries or gone to Taiwan as brides. Some of the women have returned to Soc Trang with HIV/AIDS and spread the disease locally, they said. Women in Soc Trang are now contracting HIV more frequently than men, and the 1,300 known HIV-positive cases may only be the tip of the iceberg. The Women's Union was eager for assistance and support for HIV/AIDS education and programs.

COMMENT

111. (SBU) Wealth from aquaculture is not equally distributed in Soc Trang, but the rising shrimp tide is raising most boats. As in 2003 (refTel), reports from overseas sources of widespread discrimination and repression were not supported by anything we saw on this visit. In fact, Khmer Buddhist culture appears to be doing well, thanks to the revenues from raising shrimp for American tables.

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